

MILWAUKEE

For Immediate Release: July 24, 2019

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CARW/Catylist 2019— 2nd Quarter Commercial Real Estate Market Report

The market reports are produced in collaboration of CARW and REDIComps under the direction of an advisory panel of CARW members commercial real estate professionals.

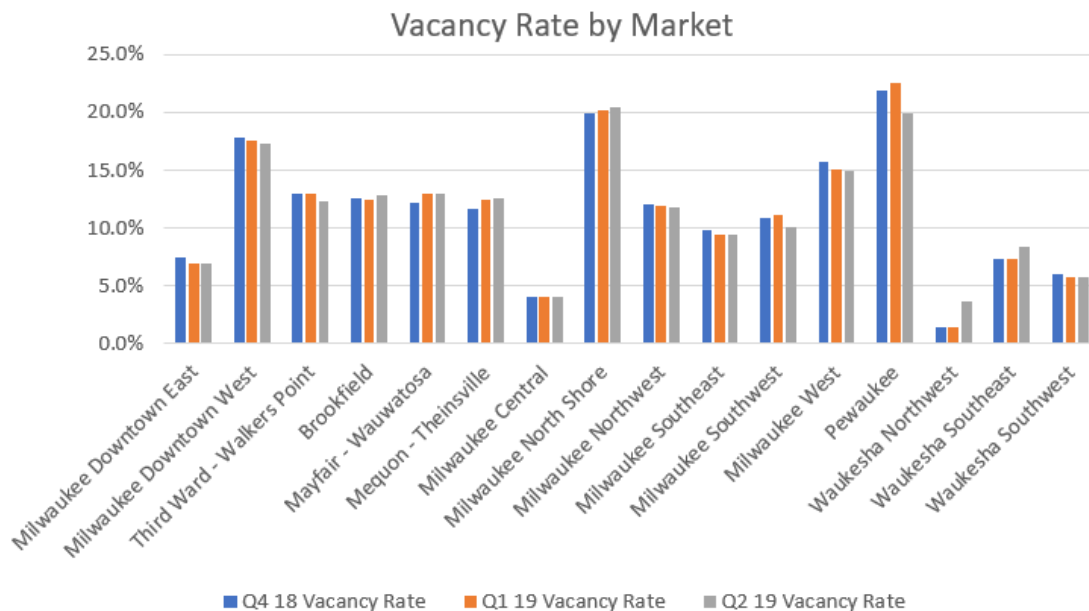
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MARKET OVERVIEW

- The Milwaukee office market consisting of 47 msf of space posted a vacancy rate of 11.9% for multi and single tenant properties.
- Quarter 2 office market numbers experienced positive absorption of 55,776 sf.
- Pewaukee held the top spot with 49,000 sf of positive absorption.
- Brookfield lost the most, experiencing negative absorption of 16,000 sf.
- Milwaukee CBD gained 33,000 sf positive absorption compared to suburban markets with 22,000 sf positive absorption.
- There are 9 properties under construction topping 1,000,000 sf with Downtown East having over 500,000 sf of construction.
- One property with 78,000 sf was delivered this year.
- There was just under 460,000 sf that was leased out during Q2.

MULTI AND SINGLE TENANT

Bldg Class	# of Bldgs	Inventory	Avail sf	Vacant sf	Total Absorption	Q2 19 Vacancy Rate
A	116	16,720,034	2,886,139	2,198,012	-9,561	13.10%
B	410	28,576,266	3,952,715	3,227,610	52,743	11.30%
C	53	2,311,082	349,314	217,558	12,594	9.40%
Grand Total	579	47,607,381	7,188,168	5,643,180	55,776	11.90%



NOTABLE OFFICE SALE COMPS

Property	Size (sf)	Price/Type	City	Market	Buyer	Seller
N17 W24300 Riverwood Dr.	176,960	\$7,400,000	Waukesha	Pewaukee	Prohealth Care, Inc.	U.S. Bank National Association
23250 Stone Ridge Dr.	32,736	\$5,000,000	Waukesha	Pewaukee	Westbury Bank	RBW, LLC
125 N. Water St.	31,970	\$3,325,000	Milwaukee	Third Ward—Walkers Point	125 Water, LLC	Harri Hoffmann Co., Inc.
1143 Warwick Way	4,920	\$2,700,000	Mt. Pleasant	Racine	Warwick Way, LP	2 Jp, Inc.
7201 Green Bay Rd.	11,688	\$1,660,000	Kenosha	Kenosha	S&H Investments, LLC	Zeon Properties, LLC

NOTABLE OFFICE LEASE TRANSACTIONS

Property	Size (sf)	Market	Tenant	Landlord
The Huron Building 503-525 N. Broadway	71,100	Downtown East	Husch Blackwell	511 North Broadway, LLC
2607 N. Grandview Blvd.	24,521	Waukesha	Brand Industrial Services	Silvernail Woods, LLC
Hammes Co. Building 1400 N. Water St.	15,685	Downtown East	The Bradley Foundation	HFJV, LLC
The Forty Two 1131 N. 8th St.	8,700	Milwaukee Downtown W	Crescendo Collective	SSL Milwaukee, LLC
400 S. Executive Dr.	7,749	Brookfield	Konecranes, Inc.	Decade Executive Office Bldg, LLC

MARKET OVERVIEW

- The top two positive absorption changes resulted from new deliveries of single tenant buildings of Briggs & Stratton with 706,000 sf in Washington County and Schoeneck Containers with 220,000 sf in Walworth County.
- Waukesha County was the only county to post positive absorption in multi-tenant properties with 255,000 sf.
- Overall market activity remains steady as the vacancy rate remains at or below 3.5%.
- The market experienced more than 2.4 msf of leasing activity at the close of Q2.

MULTI AND SINGLE TENANT INVENTORY

Property Type	# of Bldgs	Inventory	Total Avail (sf)	Total Vacant	Absorption (sf)	Q2 19 Vacancy Rate
Flex/R&D	198	8,392,149	1,112,828	674,053	27,730	8.00%
Manufacturing	2,251	180,180,467	3,600,170	2,168,917	43,488	1.20%
Warehouse Distribution	1,104	99,166,738	7,987,412	5,457,804	971,369	5.50%
Warehouse Office	1,930	71,806,133	6,380,016	4,190,184	69,354	5.80%
Grand Total	5,483	359,545,488	19,080,426	12,490,958	1,111,941	3.50%

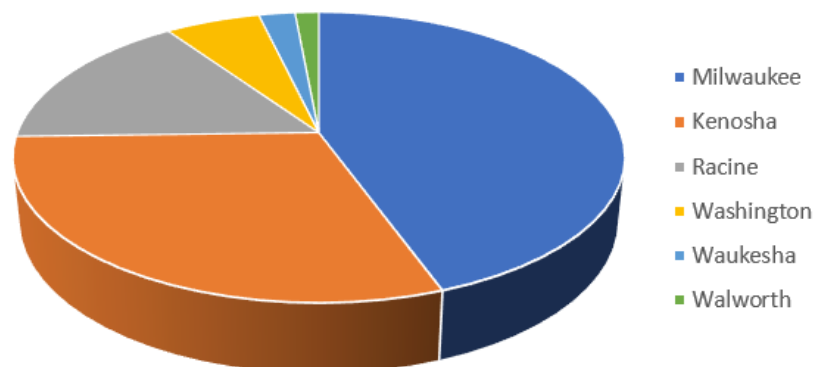
MULTI-TENANT INVENTORY ONLY

Property Type	# of Bldgs	Inventory	Total Avail (sf)	Total Vacant	Absorption (sf)	Q2 19 Vacancy Rate
Flex/R&D	149	6,174,520	934,707	627,069	27,730	10.20%
Manufacturing	123	13,545,315	1,993,984	1,595,044	-206,856	11.80%
Warehouse Distribution	273	32,931,547	6,594,388	5,366,215	265,325	16.30%
Warehouse Office	565	28,810,196	4,487,790	3,243,897	71,124	11.30%
Grand Total	1,110	81,461,578	14,010,869	10,832,225	157,323	13.30%

NEW CONSTRUCTION

County	Building (sf)
Milwaukee	3,002,921
Kenosha	2,039,121
Racine	1,066,804
Washington	400,000
Waukesha	152,405
Walworth	100,000
Grand Total	6,761,251

Total Building UC (sf)



The information contained in this report has been obtained from sources deemed reliable. While we do not question the accuracy of the data, it has not been fully verified and we make no guarantee, warranty or representation about it. It is solely your responsibility to confirm its accuracy.

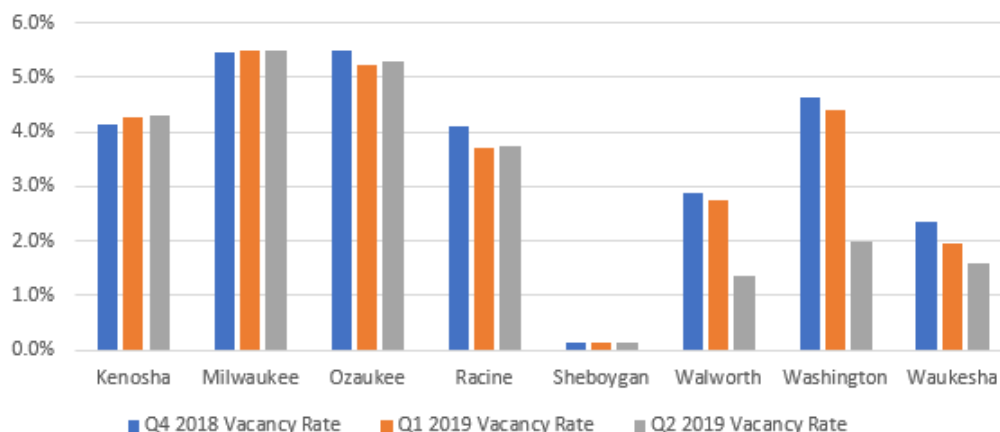
NOTABLE INDUSTRIAL LEASE TRANSACTIONS

Property	Size (sf)	City	Tenant	Landlord
Zilber Industrial I 2602 128th Ave.	524,339	Kenosha	Silgan Containers	Towne Realty, Inc.
W204 N12839 Goldendale Rd.	200,000	Richfield	Smart Warehousing	Zilber
Oakview Business Park 10450 S Oakview Pkwy	133,000	Oak Creek	Pilot Freight Services	K&Z Partners II, LLC
2900 S. 163rd St.	28,930	New Berlin	GWI Ventures, LLC	LCM Funds Real Estate, LLC
13401 Manhardt Dr.	26,000	Menomonee Falls	Polymershapes	The Dickman Company

NOTABLE INDUSTRIAL SALE TRANSACTIONS

Property	Size (sf)	Price/Type	City	Market	Buyer	Seller
Hartford Finishing 844 W. State St.	164,188	\$6,959,500	Hartford	Washington	COD Real Estate Holdings, LLC	Gary Wendorff
600 Perkins Dr.	151,116	\$6,600,000	Mukwonago	Waukesha SW	CHR Hansen, Inc.	C.I. Banker Wire and Iron Works, Inc.
1205 65th St.	169,379	\$4,850,000	Kenosha	Kenosha	1205 65th Street, LLC	MPSL Holdings Limited
4265 N. 30th St.	441,692	\$3,500,000	Milwaukee	Milwaukee North Central	Century City Industrial DRS, LLC	DRS Naval Power Systems, Inc.
3832-3898 N. 3rd St.	429,521	\$3,100,000	Milwaukee	Milwaukee East Side	3rd Street Industrial, LLC	U.S. Corrugated of Milwaukee, Inc.

Vacancy Rate by County



NOTABLE RETAIL SALES TRANSACTIONS

Property	Size (sf)	Price/Type	City	Market	Buyer	Seller
420 E. Capitol Dr.	107,582	\$9,030,000	Milwaukee	Milwaukee North Shore	River West MKE, LLC	T-L River West, LLC
3462 52nd St.	155,063	\$2,920,000	Kenosha	Kenosha	Breg6, LLC	RB Resolutions Properts, LLC-Kenosha Series
13170-13190 W. Capitol Dr.	13,320	\$2,250,000	Brookfield	Brookfield	Randall Realty, LLC	Noby Wisconsin Real Estate, LLC
6491 S. 27th St.	15,268	\$1,625,000	Franklin	Milwaukee SE	Cambridge Arms Apartments, LLC	HD Retail, LLC
2410 E. Moreland Blvd.	16,080	\$1,550,000	Waukesha	Brookfield	DPMD, LLC	Diane K Reppert Revocable Trust

NOTABLE RETAIL LEASE TRANSACTIONS

Property	Size (sf)	Lease Type	City	Market	Tenant	Landlord
1670 Old School House Rd.	11,504	New	Oconomowoc	Waukesha NW	Solstice Surgery Center	J J Karl Enterprises, LLC
2750 S. 14th St.	11,002	New	Milwaukee	Milwaukee SE	L & J Service Center, LLC	Cleveland Center, LCL
Mequon Pavilions Shopping Center 10932-11048 N. Port Washington Rd.	8,605	New	Mequon	Mequon-Thiensville	Pure Hockey	Centro Bradley SPE 1, LLC
3180 N. 124th St.	7,780	New	Wauwatosa	Mayfair-Wauwatosa	AutoZone	Continental 164 Fund, LLC

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